

GARMENT WORKERS TRUST FUND

Trust Fund Basis: Upon completion of the second supplemental distribution (SSD) by the Garment Oversight Board (GOB) of the residual settlement funds (RSF), even if the GOB distribution is more successful than the first distribution by the Claims Administrator (CA) and although the SSD is designed to exhaust all RSF held by the GOB and to terminate the GOB functions, it is anticipated that there will be many checks which will not be negotiated. Thus, there will be monies remaining in the GOB accounts after time for negotiation of checks has passed. It is also possible for tax credits or refunds to accrue to the GOB for overpayments made by the CA as part of the initial distribution. Therefore, there is a strong possibility that funds will remain for further distribution.

The overall purpose of the class action was to assist garment workers who may have been disadvantaged during the existence of the industry in Saipan. Therefore, the GOB proposes to use the funds remaining after the SSD in a way that could benefit garment workers in the CNMI.

Terms of the Garment Workers Trust Fund (GWTF).

1. *Establishment of GWTF.* Upon approval of the Plan to which this document is attached as an Exhibit, by the US District Court, the existing three members of the GOB would become the Trustees of the GWTF and administer the trust funds in a way that will assist garment workers and alleviate any additional burdens to the citizens or Government of the CNMI.
2. *Corpus of Trust Funds (TF).* The GWTF shall consist of all unexpended RSF and GOB administrative funds in its accounts as of Ninety (90) days after all SSD checks have been mailed out or Ninety (90) days from the date the GOB ceases to function, whichever is later and the checks remain uncashed by the settlement class members (SCM).
3. *Trustee Compensation.* The Trustees will receive no compensation or fees for their service as Trustees. The Trustees shall serve without posting a bond.
4. *Costs of Administration.* All expenses and costs of administration for the GWTF will be paid from the TF. Such expenses shall include, but are not limited to, bank fees, legal fees, tax preparation services, accounting fees, copy costs, employee/independent contractor compensation, tax payments and storage or housing of records or documents.

5. *GWTF Purposes and Policies.*

- a. Initially the TF shall be expended to benefit of garment workers formerly employed in the CNMI by purchasing tickets for their return to his or her country of origin where no funding is available from any other source.
 - b. An amount from the TF may be paid to former garment workers where the garment factory employing him or her closed before the employee's term of employment was complete by way of equitable repatriation and in an amount deemed appropriate under the circumstances.
 - c. Subsistence funding may also be made available from the TF to former garment workers whose garment factory term of employment expired and who then sought other CNMI employment without success and by reason thereof became unable to afford food or lodging.
 - d. Expenditure of TF shall be exclusively for the purposes of assisting garment workers for the purposes set forth in subsections a-c hereof until one year after the date that the TF is established as provided in #2 above.
 - e. Thereafter the Trustees expenditure authority shall be broadened to include funding of educational, medical and charity purposes that benefit the citizens of the CNMI and CNMI guest workers.
 - f. The Trustees may receive funding requests from any CNMI source and may also identify funding needs on their own.
 - g. The Trustees may solicit from CNMI service and charitable organizations requests for funding of specific community benefit projects. Those projects, while not limited to services that would benefit garment workers, would receive a higher priority for approval if there was benefit to present or former garment workers.
 - h. The GWTF Trustees would have the exclusive right to determine the value of the benefit to the community and whether a request for a grant would be approved and in what amount. In making allocations the Trustees may interview applicants in person or accept written submissions
6. *Replacement of Trustee.* If for any reason a trustee becomes unable to continue serving in such capacity, a replacement would be appointed by the remaining GWTF Trustees.
7. *Deposit of TF.* The funds of this trust shall be placed in a FDIC insured institution with the goal of receiving investment interest on the funds, but still allowing sufficient liquidity to fulfill the purposes of drawing down on the funds when needed.

8. *Termination of the GWTF.* At the time the TF has a principal balance of \$50,000 or less, or on May 29th, 2010, whichever comes first, the Trustees shall exhaust the trust funds by making lump sum donation(s) to tax exempt charitable organization(s), in such amounts as will exhaust the entire corpus of the TF and the services of the Trustees shall be deemed terminated.

9. *Final Accounting.* Upon the termination of the GWTF, the Trustees shall cause the preparation and filing of a closing financial statement with the US District Court for the Northern Mariana Islands reporting on the overall disposition of the TF. Costs of preparation of this closing financial statement shall be an administrative expense of the GWTF.

10. *Amendment of Terms of GWTF.* If at any time a majority of the Trustees believe that the terms of the GWTF need to be amended in anyway, they shall prepare their proposal for amendment in writing and submit it to the US District Court for the Northern Mariana Islands for approval prior to any amendment taking effect.